

## Message Text

PAGE 01 STATE 076118  
ORIGIN ARA-04

INFO OCT-01 ISO-00 /005 R

66011  
DRAFTED BY ARA/ECA:RELTZ:TR  
APPROVED BY ARA/ECA:RWZIMMERMANN  
-----061043Z 079541 /11  
R 060000Z APR 77  
FM SECSTATE WASHDC  
TO AMEMBASSY BUENOS AIRES

C O N F I D E N T I A L STATE 076118

FOL REPEAT BRASILA 2010 ACTION SECSTATE INFO BONN LONDON  
THE HAGUE PRIS CARACAS MEXICO LIMA BOGOTA SANTIAGO  
IAEA VIENNA ECBRUSSELS RIO DE JANEIRO SAO PAULO DTD 15 MAR.

QUOTE

C O N F I D E N T I A L BRASILIA 2010

E.O. 11652: GDS  
TAGS: TECH, ENRG, PARM, BR, GW, VE, UK  
SUBJECT: BRAZILIAN NUCLEAR DEBATE -- TRENDS AT THE EVE OF  
THE GENSCHER VISIT TO WASHINGTON

REFS. (A) BRASILIA 1953 (NOTAL) (B) BRASILIA 1898 (NOTAL),  
(C) BONN 4458 (NOTAL)

1. SUMMARY AT THE EVE OF FRG FONMIN GENSCHER'S VISIT TO  
THE US, THE BRAZILIAN PRESS SEES THE US AND THE FRG AT AN  
"IMPASSE". AN APPARENTLY AUTHORITATIVE PRESS BACKGROUNDER  
REVEALS A GOB PERCEPTION THAT GENSCHER PROBABLY WILL NOT  
BACK DOWN DURING THE VISIT, BUT NEITHER WILL THE CARTER  
ADMINISTRATION RELENT IN ITS PRESSURES ON THE FRG. THE  
EXPRESSION BY VENEZUELA'S PRESIDENT OF "PROFOUND SYMPA-  
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THY AND SATISFACTION" FOR PRESIDENT CARTER'S NONPROLI-  
FERATION (AND HUMAN RIGHTS) INITIATIVES UNDOUBTEDLY CAME  
AS A SHARP DISAPPOINTMENT TO BRAZIL. BECAUSE BRAZIL'S  
RECENT FRONTAL CHALLENGE TO THE US ON SEVERAL ISSUES  
HAS EVOKED SO MUCH PUBLIC PRIDE AND ANXIETY, A BRAZILIAN  
DEFEAT ON THE NUCLEAR ISSUE, IN OUR JUDGMENT, WOULD DE-  
FLATE GOVERNMENT PRESTIGE AND BRAZILIAN SELF-ESTEEM BY  
FAR MORE THAN IF THE RECENT NATIONALISTIC, ANTI-US PUBLIC  
BINGE NEVER HAD TAKEN PLACE. END SUMMARY.

2. PRESS COMMENTARY. ON MARCH 12, THE PRESTIGIOUS O ESTADO DE SAO PAULO, AND THE BUSINESS AND FINANCIAL DAILY GAZETA MERCANTIL, PUBLISHED EDITORIALS ON THE NUCLEAR QUESTION. TOUCHING ON ONE OF ITS FAVORITE THEMES, O ESTADO CRITIZED THE GEISEL ADMINISTRATION FOR PROVIDING TOO FEW ESSENTIAL STATISTICS AND OTHER DETAILS IN ITS "WHITE BOOK" ON NUCLEAR POLICY (ISSUED ON MARCH 10; REFS. A, B). THE EDITORIAL ALSO CRITICIZED PRESIDENT CARTER FOR LACKING MATURITY AND FOR ACTING AS THOUGH HE WERE SPEAKING FROM A CHURCH PULPIT. O ESTADO'S PRINCIPAL POINT, HOWEVER, WAS THAT PERHAPS THE GEISEL AND CARTER ADMINISTRATIONS COULD RESOLVE THE NUCLEAR PROBLEM THROUGH AN AGREEMENT THAT PROVIDED FOR RE-PROCESSING AND PLUTONIUM PRODUCTION IN BRAZIL "ONLY IN CASE OF CONFIRMATION OF THE PRODUCTION OF A NUCLEAR DEVICE IN ANY (OTHER) LATIN AMERICAN COUNTRY." (COMMENT. THIS SUGGESTION, STRANGE AS IT SOUNDS, PROBABLY STRIKES SOME BRAZILIANS AS A REASONABLE, EVEN GENEROUS, FALL-BACK POSITION GIVEN BRAZIL'S TWIN DRIVES TO ASSURE ITS SECURITY AND TO MAINTAIN PRESTIGE IN THE CONTINENTAL CONTEXT.) GAZETA'S UNINSPIRED EDITORIAL REITERATED MANY "WHITE BOOK" ARGUMENTS AND POINTED OUT THAT THE NUCLEAR ISSUE WAS THE CENTRAL AREA OF DIFFICULTY BETWEEN THE US AND BRAZIL.

3. CLOVIS ROSSI, AN O ESTADO EDITORIAL WRITER, PUBLISHED CONFIDENTIAL

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TWO INTERESTING ARTICLES (MARCH 9, 12) DEALING WITH RECENT US-BRAZILIAN DIFFICULTIES, INCLUDING THE NUCLEAR ISSUE. ROSSI, APPARENTLY BENEFITING FROM TALKS WITH UNNAMED HIGH GOB SOURCES, MADE SEVERAL POINTS ON THE NUCLEAR QUESTION:

-- THE NUCLEAR PROBLEM IS THE MOST SERIOUS IMPASSE IN US-BRAZILIAN RELATIONS, AND IT WILL TEND TO BE PROLONGED.

-- ALTHOUGH PRAGMATISM COULD INFLUENCE US HUMAN RIGHTS POLICY, THE NUCLEAR ISSUE IS VERY DIFFERENT: THE CARTER ADMINISTRATION'S UNDERTAKING ON NONPROLIFERATION WILL NOT BE ABANDONED. SINCE BRAZIL IS NOT PREPARED TO CEDE, THE IMPASSE IS TOTAL. IF FONMIN GENSCHER CEDES IN WASHINGTON, BRAZIL WILL FEEL BETRAYED OF ITS "NUCLEAR OPTION." IT IS EASY TO IMAGINE THE REACTION. MORE PROBABLY, HOWEVER, GENSCHER WILL SAY NO TO THE US, AND THE INITIATIVE WILL RETURN TO THE US. TO SPECULATE ON NEW EXECUTIVE BRANCH OR CONGRESSIONAL INITIATIVES IS PREMATURE, BUT IT CAN BE ASSURED THAT PRESIDENT CARTER WILL NOT DESIST FROM (SEEKING TO) IMPEDE BRAZILIAN ACCESS TO THE FULL FUEL CYCLE.

-- IF PRESIDENT CARTER'S PRESSURE IS SUFFICIENT TO

MAKE THE FRG BACK DOWN, IT WILL BE DIFFICULT TO CONTAIN, PRINCIPALLY IN MILITARY CIRCLES, PRESSURE FOR REPRISALS. (FOR THIS POINT ROSSI CANNOT BE THE SOURCE A SECOND-ECHELON GOB OFFICIAL INTERESTED IN PRESERVING GOOD TIES WITH US BUSINESS CIRCLES.)

4. THE NEWS FROM BONN RECENT NEWS REPORTS FROM BONN CANNOT ENCOURAGE BRAZILIANS. O ESTADO'S ENTERPRISING CORRESPONDENT IN BONN, WILLIAM WAACK, REPORTED ON MARCH 9 THAT THE FRG SAW "WITH LITTLE OPTIMISM" THE UPCOMING DISCUSSIONS WITH THE DEPUTY SECRETARY. ON MARCH 10, WAACK REPORTED THE CIRCLES CLOSE TO CHANCELLOR SCHMIDT CONFIDENTIAL

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WERE MANIFESTING "PESSIMISM." THESE CIRCLES REPORTEDLY COMMENTED THAT THE AGREEMENTS WITH BRAZIL COULD "COLLAPSE" AS A CONSEQUENCE OF THE RECENT HARDENING IN THE BRAZILIAN POSITION AND OF THE CHILLING IN US-BRAZILIAN RELATIONS. WAACK WENT ON TO COMMENT THAT "WEST GERMANY IS THE LAST COUNTRY IN A POSITION TO GO TO STRONG OR IRREVOCABLE POSITIONS." HE CITED FRG MILITARY DEPENDENCE ON THE US, BUT OBSERVED THAT NO ONE BELIEVED THE US WOULD NEED TO USE THE INSTRUMENT OF "BLACKMAIL" SINCE THE US HAD OTHER MEANS -- THE SUPPLY OF URANIUM AND PLUTONIUM FOR RESEARCH, OR INFLUENCE OVER SUPPLIERS LIKE CANADA. GAZETA MERCANTIL'S CORRESPONDENT IN BONN, BRIAN GOULD, COMMENTED (MARCH 12) ON THE DELAYS IN SHIPMENTS OF ENRICHED URANIUM TO EURATOM COUNTRIES: IF THE US IS USING THIS TECHNIQUE TO PRESSURE THE FRG TO DENOUNCE THE BRAZILIAN AGREEMENT, WOULD IT HESITATE TO APPLY THE SAME PRESSURE ON BRAZIL (HOLDING UP ANRA I FUEL)?

5. PRESS STORIES ABOUT THE FRG'S DELAY IN ISSUING EXPORT LICENSES FOR THE REPROCESSING PLANT BLUEPRINTS IN OUR JUDGMENT, PROBABLY ARE BEGINNING TO MAKE THE BRAZILIANS A LITTLE MORE ANXIOUS ABOUT GERMAN INTENTIONS. BRIAN GOULD REPORTED ON MARCH 12 THAT A MINISTRY OF ECONOMY SPOKESMAN TOLD HIM THAT NO SPECIFIC TIME FRAME IS FORESEEN THE GRANTING OF THE LICENSES -- THEY COULD BE GRANTED AT ANY MOMENT, OR THEY COULD REMAIN IN SUSPENSE FOR AN UNDETERMINED PERIOD.

6. THE NEWS FROM KARLSRUHE "RADIANT OPTIMISM" WAS WAACK'S CHARACTERIZATION (MARCH 10) OF THE SPIRIT IN THE ATOMIC INDUSTRY. BUT GAZETA'S BRIAN GOULD (MARCH 11) FOUND CONCERN AT KWU: THE DIRECTOR FOR PWR DEVELOPMENT, HANS JOAZIM PREUSS, COMMENTED TO GOULD: "IF WE LOST THE BRAZILIAN CONTRACT, WE WOULD HAVE TO DISMISS MANY PEOPLE AND THE COMPANY WOULD SUFFER A GREAT LOSS. WORSE STILL, WE WOULD LOSE OUR CREDIBILITY WITH INTER-CONFIDENTIAL

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NATIONAL CLIENTS. THIS WOULD MAKE OUR RECOVERY MORE DIFFICULT. GERMANY IS A COUNTRY THAT MUST EXPORT TO LIVE, SI KWU ALYO MUST DO. IF THE FRG CEDED TO THE US ... THE REPUTATION OF THE COMPANY WOULD BE SERIOUSLY PREJUDICED." TURNING TO THE PROLIFERATION QUESTION, PREUSS REPTEDLY SAID;"ANY COUNTRY WHICH HAS A REACTOR INDUSTRY CAN MAKE A NUCLEAR BOMB. CARTER'S INITIATIVE REVEALS A HIGH DEGREE OF MORALITY, BUT HE DOES NOT SEE THE FACTS OF THE WORLD.

7. THE NEWS FROM LONDON ACCORDING TO O ESTADO, MARCH 11, A HIGHLY AUTHORITATIVE BRAZILIAN SOURCE TOLD O ESTADO'S HERMANO ALVES IN LONDON THAT HMG OFFICIALS HAVE SAID IN PRIVATE THAT HIG, ALTHOUGH FAVORABLE TO NONPROLIFERATION, CONSIDERS THE FRG/GOB/IAEA SAFEGUARDS ADEQUATE. O ESTADO REPORTED THAT "THE GUARDIAN" HAD CLAIMED THAT PRESIDENT CARTER HAD ASKED PM CALLAGHAN TO INTERVENE WITH CHANCELLOR SCHMIDT IN ORDER TO HELP PERSUADE THE FRG TO DESIST FROM TRANSFERRING SENSITIVE TECHNOLOGY. A BRAZILIAN SOURCE REPORTEDLY TOLD ALVES, HOWEVER, THAT HMG WOULD TAKE NO PART IN THE US-FRG DISPUTE BECAUSE HMG NEEDS THE GOOD OFFICES OF BOTH BONN AND WASHINGTON. (SEPTTEL REPORTS RECENT PUBLIC STATEMENTS BY UK AMBASSADOR TO BRAZIL.)

8. THE DEPUTY SECRETARY'S DISCUSSIONS IN BRASILIA AND BONN  
THE BRAZILIAN PRESS INTERPRETED THE DEPUTY SECRETARY'S VISIT TO BRASILIA AS NOT HAVING REACHED ITS OBJECTIVES, BECAUSE THE GOB STOOD FIRM. THE LACONIC COMMUNIQUE ISSUED AT THE END OF THE DEPUTY SECRETARY'S DISCUSSIONS IN BONN, COMBINED WITH THE LATE ANNOUNCEMENT OF FONMIN GENSCHER'S VISIT TO WASHINGTON, ENCOURAGED THE PRESS TO CONCLUDE THAT DISCUSSIONS REMAINED AT AN "IMPASSE." GENSCHER'S TRIP IS SEEN AS AN EFFORT TO "BREAK  
THE IMPASSE" THROUGH HIGHER-LEVEL EXCHANGES. O ESTADO'S  
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CORRESPONDENT IN BONN, WILLIAM WAACK, REPORTED (MARCH 12) THAT WELL-INFORMED SOURCES IN BONN SAID THE DEPUTY SECRETARY MADE IN BONN AN ALREADY KNOWN DEMAND: THE US WOULD AGREE TO BRAZILIAN PARTICIPATION IN ENRICHMENT AND REPROCESSING FACILITIES ONLY IF THEY WERE CONSTRUCTED OUTSIDE OF BRAZIL. (EARLIER IN THE WEEK SEVERAL PRESS REPORTS CITED UNNAMED GERMAN OFFICIALS AS COMPLAINING THAT THE US HAD NOT OFFERED CONCRETE PROPOSALS OR EVEN PRECISE THINKING.) THE GERMAN SIDE, ACCORDING TO WAACK, REAFFIRMED THAT THE FRG WANTED TO FULFILL ITS COMMITMENTS AND, IN PRINCIPLE, WOULD ACCEPT OR COLLABORATE IN NEW INSTRUMENTS OF INTERNATIONAL CONTROL ONLY IF THEY DID

NOT CONTRADICT FRG/GOB AGREEMENTS. POLITICAL CIRCLES IN BONN, HOWEVER, ARE OF THE OPINION THAT THE US PROPOSAL IS IMPRACTICABLE BECAUSE OF TIMING AND OF THE EXTRAORDINARY COMBINATION OF EFFORTS REQUIRED, WAACK SAID. IT IS COMMENTED IN BONN, WAACK ADDED, THAT "POSITIVE ALTERNATIVES" CAN EMERGE ONLY AT THE GENSCHER-VANCE OR SCHMIDT-CARTER LEVELS.

9. COMMENT: THE NEWS FROM CARACAS THE EXPRESSION BY PRESIDENT CARLOS ANDRES PEREZ OF "PROFOUND SYMPATHY AND SATISFACTION" WITH PRESIDENT CARTER'S NONPROLIFERATION AND HUMAN RIGHTS INITIATIVES (O ESTADO, MARCH 12) MUST HAVE COME AS A SHARP DISAPPOINTMENT AND ANNOYANCE TO BRAZIL. UP UNTIL THIS STATEMENT NO LATIN AMERICAN NATION HAD CHALLENGED DIRECTLY AND PUBLICLY BRAZIL'S NUCLEAR POLICY. ONLY ARGENTINA HAD EXPRESSED A PUBLIC POSITION, ONE OF SUPPORT FOR BRAZIL (EXPRESSIONS FROM ARGENTINA HAVE NOT BEEN SO PROMINENT IN RECENT WEEKS). PERHAPS AS DISTURBING TO BRAZIL AS THE FACT OF THE ANDRES PEREZ STATEMENT WAS THE JUSTIFICATION CITED: "THE PROLIFERATION OF NUCLEAR ARMS CANNOT BE SEEN AS A QUESTION OF NATIONAL SOVEREIGNTY." THE INTERNATIONAL POLITICAL CONCEPT THAT SOVEREIGNTY REIGNS  
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WHATEVER THE EXTERNALITIES, IS FUNDAMENTAL, IN OUR JUDGMENT, TO THE BRAZIL'S NUCLEAR POLICY (AND OF OTHER BRAZILIAN POLICIES, E.G., ON SHARED NATURAL RESOURCES). IF ADDITIONAL IMPORTANT LATIN NATIONS WERE TO EXPRESS VIEWS SIMILAR TO ANDRES PEREZ'S, THEY WOULD RENDER A DISHEARTENING (BUT NOT CRITICAL) PSYCHOLOGICAL SETBACK TO BRAZIL, WHICH HAS MADE GREAT EFFORTS IN RECENT YEARS TO BETTER TIES WITH THE SPANISH-SPEAKING COUNTRIES.  
CRIMMINS

UNQUOTE VANCE

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## Message Attributes

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**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009